

**Housing Authority - County of Los Angeles**

December 23, 2003

TO: Each Supervisor

FROM: *for* Carlos Jackson, Executive Director *Bobette G. Glover***SUBJECT: RECOMMENDATIONS FOR SEVENTH ROUND ALLOCATIONS  
CITY OF INDUSTRY FUNDS****EXECUTIVE SUMMARY**

The Housing Authority has completed the evaluation and appeals processes for proposals in the Seventh Round Allocation of City of Industry Funds (Industry Funds), and will recommend shortly that your Board authorize loans in the amounts discussed below. The Authority received 7 proposals for affordable housing and 3 proposals for Special Needs Housing, for a total of 10 proposals.

The original allocation amount for the seventh funding round was approximately \$9,400,000. The recommended allocation of \$8,989,402 will fund 9 projects, producing 348 affordable units and leveraging \$54,406,871 in external funds. Unallocated funds from this round will be "rolled over" into future funding rounds for the affordable multifamily or senior rental developments.

**BACKGROUND**

Pursuant to the procedures implemented by your Board for Industry Funds, technical consultants have completed the evaluations for the Seventh Round Applications. Subsequently, the Independent Review Panels for both Special Needs and Affordable Housing have reviewed all the evaluations. No appeals were received for the Special Needs Projects. However, two applicants in the Multifamily Rental category did not meet the minimum scoring requirement and both applicants appealed. One for the "Avalon Apartments II", proposed by the non-profit Beyond Shelter, in Supervisorial District 2 and one for "Orange Grove Gardens" proposed by the non-profit Los Angeles Community Design Center, in Supervisorial District 5.

The appeals were reviewed by the Independent Review Panel, but based on strict adherence to the Request for Proposals, were judged ineligible for additional points. However, since the current funding round is under-subscribed and both applicants' low scores resulted from a minor technical error in the proposed rent amounts, I am recommending that additional points be granted to the applicants making the appeals. The award of the appealed points will result in both of the developments receiving additional points and meeting the minimum scoring requirement. "Orange Grove Gardens" received the higher score, and based on the amount of funds remaining, is the only appealed application being recommended for a funding allocation. "Avalon Apartments II" will be eligible to reapply in 2004.

In recognition of the precedent being set, it is the Authority's intent, should another under-subscribed funding round occur, that future applications with similar minor technical errors may be recommended for funding. In the event a future funding round is over-subscribed, appeals from applicants submitting applications with minor or technical errors will not be considered.

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As previously authorized by your Board, the Authority has developed a year round "stand-alone" Program for for-sale housing using Industry Funds. A n initial funding amount of \$2 million dollars will be made available through a Request for Proposals to be released within a few weeks.

## CONCLUSION

The Housing Authority recommends allocating \$8,989,402 to fund developments that are ready to proceed and ensure that an additional \$54,406,871 in external can be leveraged.

	Affordable Developments	Special Needs Developments
Number of Proposals to be Funded	6	3
Number of Units	283	65
Industry Funds to be Allocated	\$5,556,429	\$3,432,973
Amount of Leveraged Resources	\$38,547,623	\$15,859,248

The attached spreadsheet illustrates those projects that will be funded using the allocation scenarios discussed above.

The projects that will be recommended for funding are ready to proceed. If you have questions or concerns, I can be reached at (323) 890-7400 or you may contact Syed Rushdy, Director of Housing Development and Preservation at (323) 890-7230.

CJ:CBB:ms

Attach.

c: Nicole Englund, 1<sup>st</sup> District  
Julia Orozco, 2<sup>nd</sup> District  
Laura Shell, 3<sup>rd</sup> District  
Paul Novak, 5<sup>th</sup> District

**RECOMMENDED ALLOCATIONS - SEVENTH RFP  
FOR CITY OF INDUSTRY FUNDS FOR INCORPORATED AND UNINCORPORATED AREAS**

**AFFORDABLE HOUSING DEVELOPMENTS**

District	Location	Development/Applicant	Type of Development	No. of Units	Set-Aside Units	Industry Funds Recommended	Local and Other Resources	Total Development Cost
2	Uninc. Athens	Avalon Apts. II/Beyond Shelter	Multifamily	65	64	0	0	\$ -
5	Pasadena	Orange Grove Gardens/LACDC	Multifamily	38	37	\$ 1,056,699	\$ 10,332,605	\$ 11,389,304
2	Los Angeles	Pico/Gramercy Apts./Beyond Shelt.	Multifamily	71	70	\$ 1,680,825	\$ 13,526,695	\$ 15,207,520
4	Uninc. H. Hts.	Harmony Crk./Los Robles Devel.	Seniors	75	38	\$ 785,810	\$ 9,509,001	\$ 10,294,811
5	Pasadena	Heritage Sq./Simpson Housing	Seniors	104	74	\$ 1,000,000	\$ 15,715,487	\$ 16,715,487
1	Los Angeles	Pisgah Village/ONE Co.	Seniors	47	46	\$ 600,576	\$ 6,626,802	\$ 7,227,378
5	S. Madre	Sierra Madre Srs./SHB Devel. Co.	Seniors	46	18	\$ 432,519	\$ 6,696,333	\$ 7,128,852
				381	283	\$ 5,556,429	\$ 38,547,623	\$ 67,963,352

**SPECIAL NEEDS HOUSING DEVELOPMENTS**

4	Norwalk	Cedar St./Homes for Life	Mental Illness	23	23	\$ 1,207,213	\$ 2,155,000	\$ 3,362,213
1	Monterey Park	Pacific Hsg./L.TSC Dev. Corp.	Mental Illness	8	8	\$ 425,760	\$ 1,255,204	\$ 1,680,964
2	Los Angeles	Rainbow Apts./Skid Row Hsg.	Mental Illness	89	34	\$ 1,800,000	\$ 12,449,044	\$ 14,249,044
				120	65	\$ 3,432,973	\$ 15,859,248	\$ 19,292,221

**INDUSTRY FUNDS TOTAL: \$ 8,989,402**

**OTHER RESOURCES TOTAL: \$ 54,406,871**